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TAGS: [PGOV](#) [PREL](#) [ES](#)
SUBJECT: ARENA'S RODRIGUEZ SEES CONSTRUCTIVE OPPOSITION
UNDER FUNES

Classified By: Charge d'Affaires, for reasons 1.4 (b) and (d)

¶1. (S) Summary: Polcouns met March 23 with Luis Mario Rodriguez, ARENA member and one of the party's final five pre-candidates for the 2009 presidential campaign. Rodriguez was optimistic about the future of ARENA, suggesting that now was a good time for the party to undergo an overhaul. He talked about the possible future composition of party leadership. He said ARENA and the FMLN have already started laying the groundwork for reaching early agreements on economic and fiscal issues, a comment later echoed by Hato Hasbun, the FMLN's interlocutor in those discussions. Rodriguez was optimistic that the two parties can co-exist, and that ARENA will function well as a constructive opposition party. End Summary.

BREAK-IN AT RODRIGUEZ' OFFICE

¶2. (S) Rodriguez told Polcouns March 23 that he had returned March 22 from a personal trip to Mexico to find that his office (a multi-attorney firm in San Salvador) had been broken into, but that the only item stolen was his laptop, despite the presence of some 25 other laptops in the office. He joked that he had immediately thought about what sort of email he had received on that machine, but said the only thing thieves would find on that laptop was work-related, and suggested there was no political intrigue to be gained.

THE FUTURE OF ARENA

¶3. (C) Rodriguez said he was disappointed as an ARENA party member but pleased as a Salvadoran with the March 15 election results. He especially appreciated President-elect Mauricio Funes' acceptance speech, his subsequent gestures to ARENA, and his public March 21 derision of FMLN Parliamentarian Gerson Martinez in the press for contradicting the President-elect on debt payments and renegotiation. Rodriguez said he has been urging business sectors to reach out to Funes and offer conciliatory approaches. He also noted that the open question will be the behavior of the FMLN legislative bloc in the Assembly. If the FMLN starts standing in Funes' way, impeding moderate government in the Assembly, ARENA needs to be prepared to support the President-elect.

¶4. (C) Rodriguez said the long knives are out in ARENA, and that the party will need time (at least a couple of months) to work out its future direction. He said it is difficult to balance those with party credibility with the necessary new faces. Rodriguez suggested the possibility of prominent roles for former Technical Secretary for the President Eduardo Zablah and current Vice President Ana Vilma de Escobar, the latter who had, in some ways, been the opposition inside the Saca cabinet. He said he is more worried about ARENA's future shape and attitude now than he

is about Funes' cabinet choices. (Note: Rodriguez gestured surreptitiously at FMLN insider Hato Hasbun, independent economist Roberto Rubio, and others dining behind him, saying that if indications are correct and these are the people who will be running things, the country will be in good hands. End Note.) Rodriguez said he is pleased that ARENA's ex-presidents have seized control of the process, because it is important that Saca and others close to him not be involved in the renovation of ARENA, lest it be a charade. He said it is better that the changes happen now than for the presidential clique to stay in place for five more years, resulting in a less happy outcome.

CONSTRUCTIVE BI-PARTISANSHIP ON THE HORIZON?

15. (S) Rodriguez said that discussions had already begun between the FMLN and ARENA on a National Pact covering economic and fiscal issues. He said he had participated in a couple of meetings and the atmosphere was good. ARENA is also represented by former Minister (Foreign Affairs, Justice) Oscar Santamaria, which adds weight to their participation. The FMLN is represented by Hato Hasbun and others. Rodriguez said the FMLN seemed interested in reaching an agreement with ARENA sooner rather than later, but he counseled them not to rush things, asking, "Who would sign for us?" Rodriguez seems to believe future ARENA leadership will move away from the politics of rejecting everything proposed by the Funes government (he said ARENA had learned that lesson from the FMLN's behavior over the last five years), and instead would be ready to reach agreement with Funes on issues of national importance. He said these discussions are being kept quiet and out of the press in an attempt to reach a quick, meaningful agreement. Rodriguez said the parties were following the model of the government-opposition pact that was reached in Peru under President Toledo, and said participants had been in contact with Peruvian politicians seeking guidance.

16. (S) Several hours later, Hasbun asked PolCouns if Rodriguez had mentioned the FMLN-ARENA talks. He said the FMLN was committed to finding constructive agreements in the interest of El Salvador and was confident ARENA would join in. Hasbun said the short-term priority of the talks was to reach agreement on economic, fiscal and tax policy going forward, and was uncomfortable with the leadership vacuum in ARENA, because the financial crisis will not wait for ARENA to sort itself out. In addition, Hasbun is focusing on proposals to reform the organization of the Salvadoran state, including reform of electoral law to include residential voting. Hasbun said he expected Rodriguez had a bright future in ARENA and would be a serious interlocutor for the Funes government.

17. (S) Comment: Rodriguez' and Hasbun's comments are welcome further indications that ARENA and the FMLN are working to find a constructive modus vivendi during the Funes administration. It is a good start, and it will be even more noteworthy if the two parties can reach broad agreements on economic policies. However, political partisanship could re-appear once the parties get to the details on how to follow through on those broad principles, particularly given the pressure they will feel in the current deteriorating economic conditions (septel). How ARENA handles its first stint in twenty years as the main opposition party will dictate the possibility of El Salvador passing important legislation in the coming years. It will be just as important for Funes to get the FMLN legislative bloc to support his legislative proposals, and perhaps as difficult as it will be to get ARENA on board. One early test will be wiretap legislation, an area in which Embassy has worked both sides of the aisle and seen progress.

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